

Message Text

UNCLASSIFIED

PAGE 01 SEOUL 01909 260427Z

13

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 COME-00 L-03 JUSE-00 DRC-01 RSC-01

/028 W

----- 085762

R 260245Z MAR 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 3023

UNCLAS SEOUL 1909

E.O. 11652: N/A

TAGS: ETRD, KS, US

SUBJECT: ANTITRUST: POSSIBLE TRADE RESTRAINT DECISION BY
KOREAN WIG ASSOCIATION

REF: STATE 052940

1. EMBOFF DISCUSSED SUBJECT QUESTION MARCH 25 WITH SUH, JANG UK, CHAIRMAN OF KOREAN HARIGOODS EXPORTERS ASSOCIATION (KHEA). SUH CONFIRMED THAT ON MARCH 10 KHEA BOARD MADE DECISION TO SELL WIGS ONLY TO "LARGE, IMPORTER/WHOLESALERS". DECISION IS TO BE IMPLEMENTED AS OF APRIL 10. SUH BELIEVES DEFINITION "LARGE, IMPORTER/WHOLESALERS" WILL BASICALLY ENCOMPASS MEMBERS OF AMERICAN WIG ASSOCIATION (AWA). KHEA WROTE TO AWA SOME TIME AGO ASKING FOR LIST OF IMPORTER/WHOLESALERS WITH AT LEAST \$300,000 WIG VOLUME ANNUALLY, BUT NO REPLY HAS BEEN RECEIVED FROM AWA.

2. SUH, WHO WAS QUITE CANDID IN DISCUSSING MATTER, SAID KHEA BOARD REACHED DECISION AFTER ANALYSIS OF 1973 EXPORT PATTERN SHOWED THAT THERE WERE 331 US IMPORTERS OF KOREAN WIGS IN THAT YEAR, OF WHICH 175 IMPORTED LESS THAN \$30,000 EACH, WHILE SOME 13 BUYERS BOUGHT AT LEAST \$1 MILLION WORTH OF WIGS EACH. OBJECT OF MARCH 10 DECISION IS TO ELIMINATE "DISORDERLY MARKETING" (READ EXCESSIVE COMPETITION) BY STOPPING DIRECT EXPORTS OF WIGS TO RETAILERS, REGARDLESS OF SIZE. SUH ADMITTED THAT MOVE WOULD PROBABLY INCREASE EXPORT PRICES, BUT THIS WOULD BE "GOOD FOR U.S. TOO, SINCE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SEOUL 01909 260427Z

LARGE IMPORTERS COULD INCREASE THEIR PROFIT MARGINS". SUH

CLAIMED DECISION WAS REACHED BY KHEA ALONE, WITHOUT PRODDING OR EVEN ENCOURAGEMENT FROM EITHER ROKG OR AWA. HE ALSO CONFIRMED THAT LIKE MOST KOREAN EXPORTS, WIGS REQUIRE EXPORT LICENSE, ROUTINELY ISSUED BY MINISTRY OF COMMERCE AND INDUSTRY ON BASIS OF RECOMMENDATION BY EXPORTERS ASSOCIATION.

3. AS INDICATED PARA 3 REFTEL, KHEA DECISION SIMILAR TO MOVE MADE LAST YEAR BY KOREAN EYELASH EXPORTERS ASSOCIATION. UNLESS DEPARTMENT PERCEIVES OBJECTION, EMBOFF PLANS DISCUSS CONTENTS REFTEL WITH CHAIRMAN OF LATTER ASSOCIATION AS WELL, THUS PUTTING EYELASH EXPORTERS ON NOTICE THAT USG IS TAKING AN INTEREST IN THEIR POSSIBLY QUESTIONABLY MARKETING ARRANGEMENTS. PLEASE ADVISE.

HABIB

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, HUMAN HAIR, TRADE CONTROLS, MONOPOLIES, EXPORTERS, IMPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL01909
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740064-0703
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740314/aaaaanap.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 052940
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 09 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Aug-2002 by elbezejf>; APPROVED <11 DEC 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANTITRUST: POSSIBLE TRADE RESTRAINT DECISION BY KOREAN WIG ASSOCIATION
TAGS: ETRD, KS, US, KHEA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005